

# Altman Acquitted On BCCI Counts

## Jury Rejects Claims of Fraud

8/17/93  
By Sharon Walsh  
Washington Post Staff Writer

NEW YORK, Aug. 14—Washington lawyer Robert A. Altman was acquitted today by a jury of eight women and four men of all charges that he deceived banking regulators in the BCCI case.

In an emotional scene, Altman closed his eyes and both jurors and the Altman family cried as the jury's forewoman delivered the not guilty decision on one count of banking fraud and three counts of filing false documents with New York state banking regulators.

The verdict is a blow to Manhattan District Attorney Robert M. Morgenthau, whose office has investigated the Bank of Credit and Commerce International and its network of relationships with prominent Arab and American investors for nearly four years.

"We accept the verdict of course," Morgenthau said in a statement issued shortly after the decision. "Justice has been served. However, our investigation of BCCI continues." The jury rejected the prosecution's argument that Altman had knowingly engineered BCCI's takeover of Washington's First American Bank in what prosecutors allege was an effort to evade U.S. banking regulations. They charged that Altman had profited from special loans from BCCI to acquire shares in First American while he was president of the bank.

The forewoman's voice broke as she delivered the second not guilty



ROBERT A. ALTMAN

... acquitted after five-month trial

and other members of the jury wept openly as Lynda Carter, Altman's actress wife, cried and thanked the jurors. Altman, 46, embraced his lead defense attorney, veteran criminal lawyer Gustave H. Newman, and then his wife. His parents, three sisters and friends, stood in a circle and hugged one another in a scene of near pandemonium until a bailiff asked for order.

After the verdict was read, Altman and Carter went around to the jury door and hugged and thanked each juror as they came out.

"This is a prosecution that should never have been brought," said a  
See **ALTMAN**, A22, Col. 1

ALTMAN, From A22

smiling Altman in the courthouse hallway. "I'm so grateful that in this system there are 12 Americans who are willing to sit there and listen and decide where the truth lies."

Altman said that after he finished thanking the jury he would call former defense secretary Clark M. Clifford, his mentor and law partner to give him the news.

Clifford and Altman were charged in the same indictment last year. But Clifford, 86, was not tried with Altman because he is recovering from open-heart surgery. The verdict was widely seen as a vindication for Clifford as well, who is unlikely to be tried because of his age and poor health.

But prosecutors said in their closing statements that the goal of BCCI's founder, Agha Hasan Abedi, was to build First American into a large and powerful U.S. bank that ultimately would be merged with BCCI.

Until questions arose publicly about the relationships between BCCI and First American in 1991, Altman's professional and private lives had a storybook quality about them.

Altman had attracted the attention of Clifford, who had sat next to the seat of Democratic power since he first played poker with Harry S. Truman, while he was a young law student at George Washington University Law School in 1969. He soon became a partner at the small but prestigious firm and took on clients that included political insiders like Bert Lance and Fortune 500 companies such as Knight-Ridder Newspapers Inc. and Schering-Plough Inc.

In addition, Altman and his wife, became one of Washington's most socially prominent couples. The couple and their two small children live in a 20,000-square-foot Potomac mansion with a library, a fully equipped exercise studio, 15 bathrooms, servants' quarters, a tennis court and pavilion, a pool and a specially designed waterfall.

Carter has been present in the courtroom throughout the five-month trial, sitting in the front row of the courtroom along with Alt-

man's parents and one or more of his three sisters.

While the criminal charges against Altman are at an end, his legal battles are not over. The Federal Reserve Board has civil charges pending against Clifford and Altman and a private lawsuit has been brought against them by the board of directors and trustee of First American Bank.

For more than a decade, Clifford and Altman had been at the center of a triangle of relationships involving BCCI, First American and their law firm, the now-defunct Clifford & Warnke. They were BCCI's lawyers, the top executives and lawyers for First American's parent company, and representatives of the Middle Eastern investors who took over the bank in 1982.

Clifford and Altman had assured banking regulators that the walls between First American and BCCI—a shadowy, virtually unregulated international bank that was closed by regulators around the world in 1991—would not be breached.

But prosecutors said that Clifford and Altman deliberately misled regulators and profited from the relationship between BCCI and First American by making millions of dollars in legal fees from BCCI and receiving sweetheart loans to buy stock in First American. Clifford and Altman made a combined profit of \$9.8 million when they sold most of the stock in 1988.

Clifford and Altman, lawyers who had no experience in banking, became the chairman and president, respectively of First American in 1982. The two resigned from those posts under fire from regulators and their own board of directors in August of 1991. A court-appointed trustee, Harry W. Albright Jr., sold First American to First Union Corp. of Charlotte, N.C., earlier this year at the direction of federal bank regulators for \$463 million.

Although depositors at BCCI around the world lost billions of dollars when the scandal-ridden bank was closed down in 1991, no depositors in this country lost money because BCCI was not allowed to have branches here.